

# *Health Care Authority*

## Strategic Plan

### 2009-2011

#### VISION:

Shaping the future of health care

#### MISSION:

HCA is a leader in health care policy, purchases quality health care and other benefits, and provides excellent service for its programs.

#### Values:

**Service:** We are responsive to all our customers (internal and external) and consistently deliver exceptional service.

**Integrity:** We demonstrate honest and ethical behavior.

**Innovation:** We recognize and reward initiative and innovation.  
**Accountability** is expected and supported.

**Teamwork:** We use high-functioning teams to provide our customers with the best service possible. We build partnerships with providers, clinics, health care plans, sister agencies, and each other.

**Professionalism:** We maintain a professional work environment recognizing and encouraging high performance, and mutual respect.

June 2008

# Washington State Health Care Authority

## Strategic Plan to 2011

### INTRODUCTION

The Washington State Health Care Authority (HCA) is a cabinet-level state agency responsible for delivery of executive and legislative priorities. The HCA manages over \$3 billion in state health care expenditures each biennium. This amount, combined with the agency's administrative budget, accounts for more than five percent of the entire state budget.

The HCA administers two major health care programs: the Public Employees Benefits Board (PEBB) and the Basic Health (BH) program, purchasing coverage for more than 400,000 Washingtonians. Several ancillary programs are assigned to the HCA as well including Community Health Services (CHS), Washington Prescription Drug Program (WPDP), Health Technology Assessment (HTA), and Washington Wellness (WW) program.

Through the PEBB program, the HCA is responsible for ensuring access to at least one comprehensive health insurance benefit plan for all eligible state employees and their dependents, state officials, and state retirees.

Currently PEBB offers several health plans as well as other insurance plans including dental, life, and disability coverage. Two of the health plans offered are self-insured plans that are administered directly by the HCA, through the Public Employees Health Plans (PEHP). These are the Uniform Medical Plan (UMP) and the Aetna Public Employees Plan. PEBB also offers self-paid benefits such as Long Term Care, Auto, and Home Insurance.

Basic Health is a state-sponsored program that provides reduced-cost health care coverage through private health plans. BH serves individuals with incomes less than 200% of the federal income guidelines and who are not eligible for free or purchased Medicare.

The HCA ensures all of the PEBB plans and BH program are delivered through comprehensive study of all state-purchased health care, alternative health care delivery systems, and strategies for the procurement of health care services. Procurement makes recommendations aimed at minimizing the financial burden which health care poses on the state, and its employees, while at the same time allowing the state to provide the most comprehensive health care options possible.

### STRATEGIC APPROACH AND ALIGNMENT

Leadership has discussed the vision for the Health Care Authority (HCA) and where it needs to go as an organization over the next several years. The Health Care Authority's Strategic Plan reflects the health care and economic challenges that our state faces. The following steps were completed to develop the roadmap to HCA's future directions:

- Reviewed data and information about external environment including issues facing the agency, governor priorities, and initiatives from the legislature

- Reviewed agency Vision and Mission, updating to reflect current and upcoming environment
- Agreed upon a values set
- Completed employee survey, incorporating results into strategic planning process
- Held a variety of discussions to review goals, ensure clear understanding of expectations for future, the objectives and strategies, and identifying the performance measures that measures progress
- Completed the Washington State Quality Award (WSQA) Lite Assessment Application

The approach and process listed above have set the stage for identifying the agency's strategic direction. The steps included developing strategies that will help meet goals, in addition to monitoring performance in those efforts. This strategic plan speaks to how the agency will accomplish its goals, in addition to be meaningful to staff in the organization and align with common goals.

The development process and resulting structure of significant components are key to successful progress. The 2009-11 Strategic Plan:

- Aligns with and supports the governor's priorities.
- Reflects a connection to our agency budget activities.
- Is organized by goals directly relating to the Vision, Mission, Values and core business of the agency.
- Works towards creating a sustainable, affordable, high-quality health care system and makes Washington's people the healthiest in the world.
- Reflects a commitment to and emphasis on improving cost and quality of health care.

The above aspects of the plan reflects a "planning drives budget" approach to our business and is intended to link financial, program, and management information.

HCA is working across boundaries within the agency and with other agencies and organizations to make an impact in an ever changing health care system. This plan reaches across divisions to provide an integrated, agencywide vision for the future.

## PERFORMANCE MANAGEMENT

The performance improvement system at the HCA follows the governor's framework called GMAP, Government Management Accountability and Performance. The fundamental format of GMAP allows executive leadership to question key agency managers about everything from a particular problem to a troubling trend to the development of a long-term strategy.

The external GMAP or the governor's GMAP focuses on strategic initiatives and expected outcomes that are chosen in conjunction with the Governor's Office, the Washington State Department of Social and Health Services (DSHS), and the Washington State Department of Health (DOH). Forums are held three times a year in front of the governor and her key staff. Results from these forums are used for further process improvements or to make necessary changes for better results.

The three levels of the internal GMAP program focus on core business performance metrics that align with our agency's primary business programs and strategic goals. By encouraging dialogue and collaboration between "silos," the HCA attempts to bridge the gaps in process improvement across all programs and support areas. The Agency Level GMAP is a high-level forum where the agency strategic initiatives, customer service, personnel, and budget metrics are reported on. These presentations are held twice a year and are made to the Executive Team with the Governor's Office occasionally observing.

The next level is the Program GMAP which involves PEBB, BH, CHS, and PEHP. These forums are held twice a year and involve key support unit leadership as well as the assistant administrator and the deputies. This venue is for the programs to report on their key initiatives and to address any issues regarding resources or project status.

The final level of GMAP involves monthly reports by the support units of the agency such as Print and Production Services (PPS), Mail Services, Information Services (IS), and Administrative Services. These support units have determined key measurements that are required to be met on a regular basis in order to meet internal customer needs. These electronic reports are communicated out each month throughout the agency as well to key leadership for each unit.

All levels are tied together with our strategic vision, mission, goals, and key initiatives as a guideline. All employees are directly connected to the process by their semi-annual performance evaluations. These evaluations are expected to have measurable key results expected for each employee that tie into unit, program, or agency initiatives and goals.

Each forum and status report is communicated out agencywide. Communicating these performance results not only provides an opportunity for feedback and learning but also allows an opportunity for celebration and acknowledgement of success. It is important to the HCA leadership that all employees understand how they fit in with goals, initiatives, values, and performance measurements thus realizing how very significant their work is to the organization.

## **STRATEGIC INITIATIVES and MEASUREMENTS**

### **Goal 1: Performance**

#### **Build a high performance HCA organization**

##### **Initiative A**

Successfully implement a new computer system and business processes to manage benefits, eligibility, and accounting processes (BAIAS)

##### **Strategies:**

- Complete the scope of Strategic Project Positioning Phase of BAIAS within budget (\$11.2M) and schedule (June 30, 2009)
- Complete the future state (to-be) state business process documentation for an SAP solution by June 30, 2009

- Complete a high level evaluation of the SAP integration between accounting and benefits modules by June 30, 2009
- Complete an analysis of the health of our existing legacy systems and IT infrastructure by June 30, 2009

#### Initiative B

Develop a strong agency-wide Performance Management Program at the HCA to establish a culture of performance, caring, and trust

##### Strategies:

- Conduct research and develop recommendations through the Performance Management Committee (PMC) on performance, performance plans, and internal communication by August 2008
- Fully implement approved recommendations from the PMC by January 2010
- Develop program and unit level key priorities and measures by December 2008 to clarify regarding employee performance and the connections to agency's priorities
- Implement New Employee Safety Orientation Program by June 2008 and Job Hazard Analysis Program by July 2008
- Update Driving While on State Business Policy by December 2008
- Develop and implement an agency-wide Wellness Program by January 2009

##### Measurements:

- Improve DOP employee survey results from overall results of 2007
- Reduce the number of grievances filed (Goal = 0)
- Reduce employee turnover to a level at or below state average
- Reduce the number of work related injuries/illnesses (Goal = 0)
- Reduce the amount of time lost from work due to work related injuries/illnesses (Goal = 0)
- Reduce the number of vehicle incidents; both accidents and infractions (Goal = 0)
- Increase Health Risk Assessment completion rate (Goal = 30%)

#### Initiative C

Improve the agency infrastructure through creative use of technology

##### Strategies:

- Update 5 year strategic plan to reflect changes in agency needs and customer feedback, August 2008
- Develop new IT infrastructure plan to reflect discontinuation of BAIAS, September 2008
- Implement technology or DIS services that reduce HCA costs, Biennium 2007-09

##### Measurement:

- Improve service level delivered to end users, Biennium 2007-09

#### Initiative D

Improve PEBB eligibility rules

**Strategies:**

- Research and report on employee benefits eligibility criteria from demographically similar states by October 2008
- Develop alternatives to the current eligibility rules and develop agency request legislation for 2009 session by October 2008
- Stakeholder the revised eligibility policy with the Governor's office, members of the Legislature, agency staff and PEBB customers by January 2009
- Implement, in rule and/or statute, revised eligibility language by July 2009

**Measurement:**

- Once benchmarks are established indicating the number of inaccurate enrollments, employer complaints and overturned appeals; reduce the number of each by 20% within one year of implementing the new eligibility criteria

**Goal 2: Quality**

Improve the quality of care delivered through the Public Employees Benefits Board (PEBB) and Basic Health (BH) programs

**Initiative E**

Continue to develop and implement the Governor's Blue Ribbon Commission 5 year "Quality Purchasing" plan

**Strategies:**

- Complete Action Stage One, September 2009
- Develop an Action Stage Two activity plan for the period 2010-2012, December 2009

**Measurement:**

- Complete a comprehensive evaluation report on the outcomes of Action Stage One and publish an Action Stage Two implementation plan for the period 2010-2012

**Initiative F**

Use BH and PEBB procurement and Public Employees Health Plans management to promote healthy practices among enrollees, and expand the use of the most effective care practices for enrollees

**PEBB and PEHP**

**Strategies:**

- Proactively support the activities of the Puget Sound Health Alliance
- Establish a strong culture of wellness and productivity in the workplace from the perspective of the State as a major employer
- Through the PEBB health plans, increase active and retired enrollee engagement in wellness and use of recommended preventive screenings

#### Measurement:

- Public sector workplace wellness and productivity are proactively promoted through Puget Sound Health Alliance activities, Washington Wellness activities, PEBB program activities, and collective bargaining discussions

#### BH

##### Strategies:

- Develop and implement health promotion for 2010 contract
- Develop and implement a pilot for wellness and/or disease management programs in two key regions for contract year 2009; develop statewide programs for 2010
- Establish contract for aggregating BH encounter and claims data by June 2008
- Using the aggregate BH data target specific areas of the BH members (i.e., geographic regions, ethnic groups, provider groups, clinics) where additional focus is needed to achieve healthier outcomes for those with chronic disease management issues for 2010 contract
- Develop a plan to implement affordable mental health benefit (required mental health parity law effective with 2011 contracts) in coordination with organ transplant and chemical dependency benefits within legislatively assigned value (no more than 5% of total benefits)
- Develop and implement health plan contract performance criteria demonstrating use of evidence-based practices

##### Measurements:

- Establish baseline for healthier outcomes and target improved level of performance for following years (e.g., 5% improvement over baseline)
- Improve member satisfaction performance of CAHPS data by 5% over prior year
- Establish baseline for utilization costs of improved mental health benefits and target improved level of performance for following years (e.g., 5% improvement over baseline)
- Establish base line measurements for evidence-based criteria and target improved level of performance for following years (i.e., 5% improvement over baseline)

#### Goal 3: Leadership

Lead in the statewide expansion of access to quality, affordable care

##### Initiative G

Ensure that legislatively-directed programs (Prescription Drug Program, Washington Wellness, and Health Technology Assessment) are meeting scope and scheduling expectations

##### Strategy:

- Develop and implement performance measures aligned with the individual program enabling legislation purpose and objectives and the goals and objectives of the targeted health care sector (state health care purchasers, statewide health system, tribes, etc.), December 2009

**Measurement:**

- Complete and implement a blueprint to demonstrate the program's business case on an ongoing basis and produce a 2009 business case status report for the first year of blueprint implementation

**Goal 4: Cost**

**Make PEBB and BH more affordable for participants and the state**

**Initiative H**

Develop an exemplary PEBB program that leads the health care market in organizational management, vendor management, consumerism, transparency, medical management, high performance networks, and use of evidence-based medicine

**Strategies:**

- Develop and implement a comprehensive PEBB program 5-year strategic plan to position PEBB as a high performance employer-sponsored benefits program
- Structure the PEBB organization to effectively perform strategic purchasing, benefit design, procurement, and contract management activities
- Structure the PEHP organization to effectively manage the re-aligned PEBB self-insured benefit portfolio
- Build partnership relationships with PEBB staff model managed care vendors
- Promote consistent, comparable vendor accountability across the PEBB health plan portfolio for high priority performance measures
- Implement strategic initiatives in self-insured medical plans to improve quality of care, control costs, and increase member satisfaction

**Measurement:**

- Complete each designated project in accordance with the Division of Benefits Administration business plan and an approved individualized project plan to achieve the specific measures of success delineated in the project's individualized plan. Produce at least annual reports of progress to date for each applicable milestone for the review period

**Initiative I**

**Offer affordable, attractive plan options for PEBB enrollees**

**Strategies:**

- Implement a PEHP Disease Management program for the period August 2008 through July 2011
- Implement a restructured UMP self-funded PPO on January 1, 2010 that partners with a vendor providing high performance PPO administration, a quality provider network, and a shared commitment to promote the State's health care priorities
- Promote informed decision making within the PEBB benefit design process



#### Measurement:

- Complete each designated project in accordance with the Division of Benefits Administration business plan and an approved individualized project plan to achieve the specific measures of success delineated in the project's individualized plan. Produce at least annual reports of progress to date for each applicable milestone for the review period

#### Initiative J

Provide Basic Health low-cost coverage in all Washington counties

#### BH

##### Strategy:

- Continue to use analytic data services to determine appropriate regional rates
- Monitor benefits package and health plan participation to ensure program is meeting the needs and expectations of membership
- Use the Basic Health Advisory Council recommendations to identify and guide future scope and opportunities for the program

##### Measurements:

- Ensure available BH membership target membership level is achieved and 100% of available premium dollars are directed to BH membership premiums
- Obtain benchmark health plan(s) in all WA counties for 2009 procurement year

### EXTERNAL ENVIRONMENT (Status of Health Care System)

In 2007, the United States again spent more on health care than any other industrialized country – about \$2.2 trillion. Health care spending accounted for 16.2% of our gross domestic product (GDP). The Centers for Medicare and Medicaid Services projects that by 2016, annual health care spending will almost double to \$4.1 trillion, and account for 19.6% of our GDP.<sup>1</sup> Locally we are seeing similar disturbing trends: in 2000 health care spending comprised about 22% of the Washington State budget; however, by 2007 this figure rose to over 29%. Such spending cannot be sustained without severe adverse impacts to other vital services such as education, social services, and public safety; and will soon become ruinous to families.

Consumers expect to receive effective, high-quality health care at a reasonable cost. To achieve this goal, purchasers, insurers, benefit administrators, providers, and consumers alike need good information to make appropriate health care decisions. Yet health care delivery is often based not on the best available scientific knowledge, but on the success of advertising to consumers and providers by drug and durable medical equipment manufacturers. Health care reimbursements are also typically “fee for service,” that is, providers, hospitals, and other services are paid based on services provided, regardless of need, medical evidence, and outcome. In this context of a fragmented health care system, perverse reimbursement methodologies, escalating and unsustainable costs for businesses, government, and families, Washington State is aggressively pursuing strategies and initiatives to improve the cost, quality, and access to the world-class health care institutions and dedicated health care providers for its citizens.

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<sup>1</sup> Kaiser foundation fact sheet: <http://www.kff.org/insurance/upload/7692.pdf>, last accessed 5/09/08.

## State Health Reform Efforts: Governor's Strategy and the Blue Ribbon Commission

As a purchaser of health care for 1.3 million Washingtonians, state agencies share a key responsibility to create a marketplace that emphasizes performance and accountability by tracking performance measures and making this information transparent for consumers. Guided by Governor Gregoire and the Blue Ribbon Commission on Health Care Costs and Access, Washington is in the forefront of state reform efforts to improve efficiency and derive greater value from the health care system by increasing transparency, reducing treatment variability, increasing the appropriate use of health technology, improving chronic care management, and promoting wellness. In 2005, Governor Gregoire set out to improve health care for Washingtonians through five key strategies designed to eliminate wrong or wasteful medical care and improve health care delivery. The five strategies are:

- 1) Emphasize evidence-based health care.
- 2) Promote prevention, healthy lifestyles, and healthy choices.
- 3) Better manage chronic care.
- 4) Create more transparency in the health system.
- 5) Better use of health IT (information technology).

Working with Governor Gregoire, in 2006 the legislature established the Blue Ribbon Commission (BRC) on Health Care Costs and Access to deliver a five-year plan to substantially improve access to affordable health care for all Washingtonians. The Commission report, issued in January 2007, included 16 recommendations which, if pursued systematically over the next five years, will substantially improve access to affordable health care for all Washingtonians.

The 2007 and 2008 legislative sessions witnessed passage of several bills which consolidated the BRC and other reform initiatives to deliver on the governor's and legislature's commitment to quality, accountability, and transparency. These bills direct the Health Care Authority (HCA), in partnership with Department of Social and Health Services (DSHS) and other agencies, to champion the following initiatives and projects:

- Purchase and plan for quality, provider performance, and outcome measures during procurement initiatives.
- Pilot patient decision aids to improve consumers' ability to make informed health care treatment choices.
- Improve chronic care, integrate health information, and provide medical homes. Continue to develop chronic care models by contracting with providers that can demonstrate improved care.
- Improve transparency of health care information for consumers through the creation of the Washington State Quality Forum and support of the Puget Sound Health Alliance in its efforts to provide Washingtonians with accurate, consistent information on the quality and cost of health care services.

- Deliver on the promise of health information technology by building on the recommendations of the Health Information Infrastructure Advisory Board to meet the goal to achieve a statewide health information infrastructure that all hospitals, integrated delivery systems, and providers can access by 2012 through the use of consumer-centric health record banks.
- With DSHS, eliminate unnecessary emergency room use in collaboration with community providers and local emergency rooms.
- Expand eligibility in the Public Employees Benefits Board (PEBB) coverage for dependents to age 25.
- Promote prevention, healthy lifestyles, and healthy choices. Include performance measures in state health contracts to foster better health outcomes such as improved vaccination rates, smoking cessation, and physical activity. Prepare a five-year plan for health promotion.
- Create the Health Insurance Partnership, a program for small businesses to provide affordable health plan options to their current and former employees.

Supporting these directives, HCA has prudently managed health plan and prescription drug costs through procurement strategies, as well as the prescription drug, health technology assessment, and wellness programs. Innovative PEBB procurement efforts resulted in a \$240 million surplus, allowing the legislature to reduce the 2009 funding rate for the PEBB program in a belt-tightening exercise for the current supplementary budget.

PEBB portfolio management strategies are producing more affordable health plan choices, consolidation of managed care medical plans, self-insurance and other alternatives, and self-funded preferred provider organizations. The prescription drug program consists of two components: the preferred drug list and the prescription drug purchasing consortium. Cost avoidance from use of the preferred drug list in the 2005-2007 biennium was \$44 million. The prescription drug discount program (begun in early 2007) now has more than 80,000 enrollees who save an average of over \$25 per prescription. Total savings for enrollees in this program are over \$3.3 million. The Health Technology Assessment program, authorized by 2006 legislation to promote evidence-based coverage decisions, has now completed five coverage decisions that are based on an evidence report and an independent clinical committee. The Washington Wellness program has been instrumental in motivating state employees to take a health risk assessment (HRA) and developing pilot wellness programs. Last year, the HCA had a 42% HRA completion rate, well above the governor's current goal of 30% for 2008.

Also critical in these efforts is collaboration with other public and private entities. The HCA aggressively partners with DSHS, DOH, Department of Labor and Industries (L&I), and the Department of Corrections (DOC). HCA, Health and Recovery Services Administration (HRSA), L&I, Department of Corrections, and Department of Veterans Affairs are collaborators in the Prescription Drug and Health Technology Assessment programs, and the State of Oregon is a collaborator on the drug purchasing consortium. Numerous private entities (e.g., the Puget Sound Health Alliance, the Hospital and Medical Associations, carriers, and community non-profits) are critical to other HCA efforts in support of the governor's initiatives, including efforts in health IT and developing a state-wide health information exchange promoting transparency of health information.

A critical example of initial efforts to improve health care system transparency was the Community Checkup recently issued by the Puget Sound Health Alliance. Developed in cooperation with carriers, purchasers and clinics, this report establishes a baseline for understanding health care delivery in our region. It includes 21 performance measures addressing diabetes, heart disease, depression, low back pain, use of generic drugs, appropriate use of antibiotics, and preventive care.

## 2009 and Beyond

For the next biennium and beyond, the challenge for HCA lies in upgrading the infrastructure to manage its core programs in PEBB and Basic Health that purchases health care for more than 400,000 Washingtonians; continuing to implement and improve on the numerous new initiatives and programs directed by the legislature and governor over the past few years; and continuing to leverage its role as a major Washington health care purchaser to purchase quality, cost effective, and accessible health care.

Although this past session saw the passage of a technical corrections bill vital to the implementation of the HIP program and subsidy funding to initiate the program, it also saw the Legislature remove funding for implementation of the HCA's system replacement project. This project is critical to bring the HCA's outdated systems into compliance with federal Health Insurance Portability and Accountability Act (HIPAA) security requirements, as well as to ensure the agency's ability to comply with legislative mandates such as offering health savings accounts to state employees.

The Legislature also emphasized strengthening the state's primary care system through a concept called a medical home for state enrollees. HCA, DOH, and DSHS, along with numerous community partners, will explore ways to engage providers to support and provide adequate reimbursement for medical homes. The agencies have also received a grant from Academy Health and the Commonwealth Fund that will provide expert technical assistance in these efforts.

Notably, the health care reform discussion in Washington State cannot be divorced from events on the national stage. The presidential candidates' plans, as well as the Healthy Americans Act introduced by Sen. Wyden, may indeed change the way health care reforms are considered and implemented locally. However, given the vastly diverging interests of various health care stakeholders, they may also never get past the proposal stage. With the national dynamics around financing reform, individual states are forced to tread cautiously. Thus, while many prepare reform plans of their own, they also hesitate to get too far out in front of the national debate.

This situation is also reflected in Washington State. While the past legislative session saw the introduction of several proposals for large-scale health care financing reform within our state, the legislature ultimately chose to defer consideration of these proposals. Instead it passed ESSB 6333, which authorizes an economic analysis of four significant healthcare proposals in the Washington market. A citizens work group will then be appointed by the governor in January 2009 to review these analyses, as well as an actuarial analysis of the catastrophic coverage plan offered by the Washington State Insurance Commissioner. The final work-group report will be submitted to

the legislature in November of 2009, well after the results of the presidential and local elections should clarify the political landscape.

Within this context of national, regional, and local debate on health care reform, Washington's executive branch agencies remain focused on addressing specific issues directly within the scope of their role as a health care purchaser and social safety net provider. Examining potential strategies within the context of maximum value and efficiency, the state has selected several high-value interventions designed to improve access to coverage and improve the quality of offered health services. Within this context the HCA is working with our partners to increase access to children's coverage, expand the Basic Health program within available resources, maximize the efficiencies of PEBB's procurement strategies, implement the Health Insurance Partnership, aid in the development of functioning consumer controlled Health Record Banks, increase the availability of information on the performance and cost of our health care system to providers and consumers, encourage the proper use of prescription drugs, evaluate the value of health technologies, and implement an effective wellness program for state employees. In addition, by all estimates, revenue forecasts in the upcoming biennium will fall short of levels needed to maintain current programs, leaving some difficult decisions and choices ahead. There is no choice but to continue to pursue efforts to ensure a more effective, quality, efficient, and accessible health care system.

## **AGENCY STAFFING LEVELS**

Innovative recruiting efforts are necessary to ensure the agency's recruitment needs will be met. With a restricted geographic employment base, it is becoming increasingly important to define and improve the existing recruiting strategies. Although the past year showed a challenge in recruiting, current efforts have resulted in improvement with our new emphasis on sourcing and recruitment – 72 positions were filled over the previous fiscal year. Human Resources (HR) received a new full-time equivalent (FTE) for a Recruitment and Sourcing consultant, which will be tasked with improving recruiting strategies and decreasing time-to-fill. HCA efforts will focus on transcending the passive job seeker to reach those qualified applicants. Recruitment announcements have been updated to more effectively market the dynamic, exciting opportunities available with the HCA.

The agency is implementing workforce planning centered around proactively preparing for potential changes in our agency and budget environment. We will use the Department of Personnel's guide and implement using their four phases: (1) Strategic Direction, (2) Workforce Analysis/Strategies, (3) Implement Workforce Plan, and (4) Monitor, Evaluate and Revise. The purpose of this exercise is to proactively position the agency to adapt to a fluctuating economic environment while still meeting our strategic objectives.

## **AGENCY TECHNOLOGY STATUS**

A key component to HCA's strategic planning and performance management efforts is the need for appropriate technology resources. Information Services (IS) leadership has developed a strategic plan in support of the agency plan. The high-level strategies are:

- Improve the IT service management practices and process
  - Continue process development and improvement based on Information Technology Infrastructure Library (ITIL)/Information Technology Service Management (ITSM) best practices
  - Implement metrics for measuring and reporting on key IT services
- Invest in infrastructure
  - Identify and replace end-of-life/at-risk systems
  - Leverage existing Department of Information Services (DIS) services to achieve greater economies of scale
- Ramp up for the Benefits Administration and Insurance Accounting System (BAIAS) Project
  - Build and implement modern practices around software configuration, change, and release management
  - Hire additional resources and expertise in support of the effort

## FINANCIAL PLAN ASSESSMENT

HCA is funded by a mixture of appropriated and non-appropriated funds. Funding for benefits, direct administration, and a proportionate share of program support related to PEBB comes from the non-appropriated Public Employees and Retirees Insurance Account, also commonly referred to as the PEBB Fund or Fund 721. The PEBB Fund receives revenue primarily from employer and subscriber contributions. PEBB member benefit expenses are paid in a variety of ways, including directly from Fund 721 and from the Uniform Dental Plan Benefits Administration Account, the Self Insured Co Pay Plan Account, and the Uniform Medical Plan Benefits Administration Account. Agency operational or administrative activities related to the PEBB program are funded through the state operating budget process and are primarily paid from an appropriation from the Health Care Authority Administrative Account.

HCA receives premium revenue from enrollees in the subsidized BH program to cover the portion of medical premiums not paid (subsidized) by the state through the Health Services Account. Enrollee premiums are calculated on a sliding scale based on income, family size, and age of member. HCA receives premium revenue from enrollees in the non-subsidized BH to cover the full cost of their health care premiums. For adults, \$10 per member per month is also charged to pay the HCA's administrative costs for the non-subsidized program. Other agency administrative costs related to BH are paid with Health Services Account funds, with some revenue from the Medicaid program for the costs of administering the accounts of clients eligible for Medicaid.

## LISTING OF STATUORY AUTHORITY REFERENCES

<b>Agency / Program / Initiative</b>	<b>Authorizing RCW(S)</b>
Health Care Authority	41.05.021(1)
Public Employees Benefits Board	41.05.065
Public Employees Health Plans	41.05.143
Washington Wellness	41.05.540
Health Technology Assessment	41.05.013 & 70.14.080
Health Information Infrastructure Advisory Board (HIIAB)	41.05.035
Community Health Services	41.05.220
Basic Health	70.47.040
Prescription Drug Program	41.05.021 & 70.14.050
Office of the Medical Director	41.05.015 & 70.47.040
Health Information Technology	41.05.021
Washington Quality Forum	41.05.029
Health Insurance Partnership	70.47A.110